

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY OSLO IMMEDIATE

INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L STATE 225807

E.O. 11652:

TAGS: ENRG

SUBJECT: IEP

REF: OSLO 4575

1. DEPARTMENT HAS NOT YET RECEIVED COPY FINAL VERSION OF IEP AGREEMENT. HOWEVER, CHANGES TO DRAFT GIVEN GRIFFITH SEPTEMBER 5 ARE NOT SIGNIFICANT, AND BELIEVE THAT IT IS ADEQUATE BASIS TO PERMIT EMBASSY BRIEF NORWEGIAN OFFICIAL.

2. AS SOON AS CLEAN DRAFT OF AGREEMENT IS AVAILABLE, DEPARTMENT WILL SEND COPY TO OSLO.

3. FOR YOUR BACKGROUND INFO AND POSSIBLE USE IN BRIEFING POLITICAL PARTY OFFICIAL MENTIONED REFTTEL, FOLLOWING IS BRIEFING MATERIAL ON IEP WHICH DEPARTMENT HAS PREPARED FOR RECENT MEETINGS WITH NORWEGIAN OFFICIALS HERE:

A--BASIC NORWEIGN CONCERNS:

--AUTOMATICITY OF TRIGGER MECHANISM; NORWAY STRONGLY PREFERS POLITICAL DECISION TO ACTIVATE RATHER THAN QUOTE FAIL-SAFE
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UNQUOTE REVIEW PROVISION AS WE HAVE INSISTED.

--FEARED LOSS OF FULL SOVEREIGNTY OVER OIL AND THE POSSIBILITY OF PRESSURE FROM OTHER OIL IMPORTING COUNTRIES TO DEVELOP THEIR OIL RESOURCES FASTER THAN DESIRED DOMESTI-

--POSSIBLE INTERFERENCE WITH NORWEGIAN OIL EXPORTS TO NON-ECG MEMBERS DURING SUPPLY CRISIS.

--SIZE OF THEIR OIL ALLOCATION OBLIGATIONS.

B. US POSITION (FYI): THE AUTOMATIC TRIGGER IS ABSOLUTELY ESSENTIAL TO AN EFFECTIVE PROGRAM. THE IEP MUST CONTAIN A STRONG PRESUMPTION OF ACTION IF IT IS TO BE EFFECTIVE IN HELPING TO MEET FUTURE OIL CRISIS. NORWEGIAN DEFECTION WOULD NOT BE FATAL TO THE IEP. BUT IT COULD ALSO SPARK POLITICAL OPPOSITION TO THE PROGRAM IN THE UK AND CANADA, THE OTHER TWO ECG PRODUCING COUNTRIES. WE HAVE MADE A STRONG EFFORT TO ACCOMMODATE THE LEGITIMATE CONCERNS OF THE NORWEGIANS, BUT HAVE NOW GONE AS FAR AS WE CAN WITHOUT UNDERMINING THE BASIS OF THE PROGRAM.

TALKING POINTS:

--THE AGREEMENT ON THE IEP IS A MAJOR STEP IN BUILDING EFFECTIVE SOLIDARITY AMONG THE MAJOR INDUSTRIALIZED COUNTRIES ON THE CRITICAL ENERGY PROBLEM.

--OUR ABILITY TO ACT IN SOLIDARITY IN THE FACE OF FUTURE THREATS TO OUR ENERGY SUPPLIES IS VITAL TO THE CONTINUED GROWTH AND PROSPERITY OF OUR INTER-DEPENDENT ECONOMIES, REGARDLESS OF THE DEGREE OF OUR DEPENDENCE ON IMPORTED OIL.

--WE WOULD HOPE THAT NORWAY WILL MAKE ITS DECISION WHETHER TO COME INTO THE PROGRAM IN THE CONTEXT OF THESE BROAD POLITICAL AND ECONOMIC INTERESTS.

--A NORWEGIAN DECISION NOT TO PARTICIPATE COULD HAVE A DAMAGING EFFECT ON THE ATTITUDES OF OTHER MEMBERS.

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--TO BE EFFECTIVE AND CREDIBLE, THE IEP MUST HAVE A STRONG PRESUMPTION OF POSITIVE ACTION IN FUTURE EMERGENCIES. THE MECHANISM MUST HAVE A FIRM TRIGGER WHICH CAN ONLY BE REVERSED BY A STRONG MAJORITY.

--WE ARE AWARE OF NORWAY'S SPECIAL CONCERNS AS A GROWING NET EXPORTER OF OIL. HOWEVER, ITS POTENTIAL OIL ALLOCATION OBLIGATION IS FIXED IN ADVANCE AND SMALL

COMPARED TO NORWAY'S DOMESTIC CONSUMPTION AND PROJECTED
EXPORTS. INGERSOLL

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